



Department of Health Care Services



SANDRA SHEWRY
Director

ARNOLD SCHWARZENEGGER
Governor

July 9, 2007

Dear Interested Parties:

WORKERS' COMPENSATION RECOVERY PROGRAM FOR PROPOSAL (RFP) 07-65000 ADMINISTRATIVE BULLETIN 1, ADDENDUM 1

Administrative Bulletin Number 1, Addendum 1 issued by the Department of Health Care Services (DHCS), Office of Medi-Cal Procurement (OMCP), announces changes and provides information to the Request for Proposal (RFP) Workers' Compensation Recovery Program (WCRP). DHCS provides notification to interested parties of the following:

1. Enclosed you will find official responses to Proposers' questions submitted to OMCP.
2. Addendum 1 is also announcing that a *Word* version of Attachments 2 to Attachment 16 of WCRP RFP is presently available on the OMCP website. These electronic versions have been provided to allow for easier completion of these forms. No changes to the forms from those provided in the June 6, 2007 Request for Proposal, beyond format presentation, have occurred.
3. Within **the Project Personnel section of the Narrative scoring**, Question 23, page 40, a clerical error inadvertently created a non-existence Question 24. Question 23 has been corrected to read:

To what extent has the Proposer identified each key staff person assigned to managing, directing, overseeing and/or coordinating the work of assigned staff, subcontractors and/or independent consultants and who will maintain effective communications with CDHS?

Consider each person's expertise, capabilities and credentials.

Question 24 has been included as an unscored blank question so as to retain the proper numbering sequence of subsequent questions.

These changes are being made to clarify the RFP or assist in your preparation of your proposal.

The website for the electronic version is www.dhs.ca.gov/omcp.

To update the RFP, use the instructions in the following chart. Any changes made to the RFP are published as replacement pages in the RFP.

REMOVE EXISTING PAGES	REPLACEMENT PAGES
RFP, page 40	Replace with the attached RFP page 40

Proposers have five (5) working days from the issue of this transmittal to the postmark date of the proposers' response to submit any objections to the Addendum to the address below:

RFP 07-65000 Q & A
Attn: Nathan Greve or Robert Marlow
Department of Health Care Services
Office of Medi-Cal Procurement, Mail Station 4200
Workers' Compensation Recovery Program
P.O. Box 997413
Sacramento, CA 95899-7413

Sincerely,

Original signed by *Donna Martinez*

Donna Martinez, Chief
Office of Medi-Cal Procurement

Enclosures

4. Management Plan

Management Plan Rating Factors	Points Possible	Points Earned
17. To what extent has the Proposer demonstrated its capability to effectively coordinate, manage and monitor the efforts of assigned staff (including subcontractors and consultants) to ensure that work is effectively completed and timely?	4	
18. To what extent has the Proposer demonstrated its capability to effectively control and ensure the timely filings of accurate liens, assessments and other time sensitive documents?	4	
19. To what extent does the Proposer's described philosophy and criteria used in determining cases to be pursued or not pursued, meet the objective of maximum recovery?	4	
20. To what extent does the Proposer's described system for discovery and identification of potential WCRP cases appear reasonable and effective?	4	
21. To what extent does the Proposer's described system for creating, tracking and updating Medi-Cal services for liens, thereby maintaining accurate liens appear reasonable and effective?	4	
22. To what extent do the Proposer's policies and procedures for a case management system appear effective and reasonable?	4	
Management Plan Score		Maximum Points 24 Earned X .6 Weight = 14.4

5. Project Personnel

Project Personnel Rating Factors	Points Possible	Points Earned
23. To what extent has the Proposer identified each key staff person assigned to managing, directing, overseeing and/or coordinating the work of assigned staff, subcontractors and/or independent consultants and who will maintain effective communications with CDHS? Consider each person's expertise, capabilities and credentials.	4	
24. To correct a clerical error, this question is intentionally blank and without scored points. (See Addendum 1, 7/09/2007)	0	
25. Rate the Proposer's administrative policies or procedures to recruit and select well-qualified, competent and experienced staff. Has the Proposer ensured that vacancies will be filled expeditiously to continue services?	4	

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#	RFP Reference	RFP Section	Pg #	Question/Comments	Responses
1	Exhibit A, Attachment 1	Section 12, B	14	This section requires all forms and letters to be approved by Department of Health Care Services (DHCS) prior to their use. Does this include pleadings prepared by the contractor's legal staff? If so, will DHCS staff be available to approval within 24 hours to ensure that the contractor can meet statutory and regulatory deadlines?	No. Pleadings are legal filing which is part of the expertise DHCS is purchasing with this contract. Pleading may be reviewed by DHCS staff. Monitoring and approval may be required if it is determined that these documents fail to meet the standards DHCS would except.
2	Exhibit A, Attachment 1	Section 8, F	6	This section suggest prior approval is required to waive or substantially reduce a recovery. Will DHCS have knowledgeable staff available at all times necessary to provide such approval?	Appropriate levels of authority will be available for timely responses to waiver and reduction request.
3	Exhibit A, Attachment 1	Section 8, I	7	This section appears to require the contractor to develop a system to identify duplicate payments issued by Medi-Cal and a WC insurer or employer. Is it sufficient for the Contractor to pursue recovery of Medi-Cal payments when the Contractor learns that a provider had been paid by both Medi-Cal and the WC carrier or employer?	No, DHCS has an expectation that the contractor will be proactive in identifying duplicate payments and will develop a system to assist in these identifications. Pursuit after identification is a separate requirement.
4	Data Library			Do the reported dollar recovery amounts represent carryover of the prior contractor and current contractor combined or only the current contractor?	The reported dollar amounts are for the current contractor only and do not include residual case closures.

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5	Data Library			Can DHCS provide data to the bidders that show: the number of cases opened; the number of cases closed the average recovery percentage for each fiscal year 2002-2003 to date.	We are working to obtain this data.
6	RFP	Section K.1.b	16	Proposal Format and Content Requirements General Instructions, page 16: Will DHCS provide editable versions of the RFP attachments?	For documents controlled by DHCS we will provide editable forms. However, some documents are not under the control of DHCS. DHCS may not be able to provide these forms as editable copies. See the website: www.dhs.ca.gov/omcp .
7	RFP	Section K.3	17-27	Do the proposal requirements regarding subcontractors also apply to the DVBE participants described in RFP Attachment 9a?	If the DVBE is providing significant services directly related to the major functions and business requirements of this RFP then the DVBE should be identified and treated like other subcontractors in terms of reporting requirements. If the services being obtained from the DVBE are more generic to business operation and not directly related to execution of the Workers' Compensation Recovery Program (i.e. office cleaning, printing, copy services, etc.) then the subcontracting reporting is not necessary under the Personnel section.

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8	RFP	Section K.3.h.3	25	Is the \$1.25 million project recovery for both or each region?	DHCS expects a minimum recovery from <u>each</u> region of at least \$1.25 million dollars.
9	RFP	Section K.3.h.		Bid Section page 24-27. Besides the Bid Proposal what other documents should be shipped sealed and separated from the Narrative Proposal?	The only the bid documentation or information directly related to the bid price, requires separation. Usually DHCS would expect the CD copy of the proposal to be with the sealed bid documents, as the CD usually includes bid proposal on the copy. Because DHCS does limit all the documents presented by a Proposer, it is incumbent on the Proposer to insure that the bid proposal is not available to DHCS until it is appropriate for DHCS to review the bid.
10	General	DVBE Related		Will DHCS consider an incentive preference for DVBE similar to the Nonprofit Veteran Service Agency Small Business Preference?	This would a legislative issue and not under the control of the DHCS.
11	Exhibit A, Attachment 1	Section 12		Is a bidder compliant with the requirements of a staff attorney(s) if access is by way of a subcontract with a California licensed attorney?	Yes.

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12	Exhibit A Attachment I	Section E	4	In reference to claims filing is the vendor required under this contract to be able to create claims forms in Standard 1500 and UB92 Claims and /or HIPAA compliant electronic transactions?	There is no requirement to create claim forms in the format of Standard 1500 and/or UB92 claims and/or HIPAA compliant electronic transactions. It is up to the Proposer to provide an explanation of the process(es) to file a claim or lien and itemization which may or may not be in electronic form.
13	Exhibit E	Section 3 F		<p>This section appears to state that if DHCS terminates or cancels the contract, even without cause, contractor shall be entitled only to contracted compensation for monies received prior to the date of termination or cancellation. This would mean that despite the contractor's effort and investment of resources in prosecuting a case, including correspondence, pleadings and appearances, the contractor would not be entitled to compensation for those efforts.</p> <p>Is the intention of DHCS to retain the right to terminate the contract</p>	This question is under legal review and will be addressed in a future bulletin.

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#	RFP Reference	RFP Section	Pg #	Question/Comments	Responses
				without cause and without any payment of compensation on pending but unresolved cases or can the Contractor retain and work to fruition those cases for which the contractor has filed a lien before the Workers' Compensation Appeal Board?	